

**AWARD NOMINATION
SMALL BUSINESS PARTNER OF THE YEAR**

Recommendation must be for work accomplished during fiscal year 2006 for presentation at the Annual Small Business Awards ceremony in July 2007

Bureau: **Internal Revenue Service**

- 1) **Please provide the following company information:**

Company Name: **Information Systems Consulting Group, Inc. (InSysCo)**

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Telephone Number: **540-368-9682**

Fax Number: **703-832-0425**

President/Owner/CEO: **Diana M. Johnson**

Business Type (check all that apply):

☒ **Small** ☐ **SDB** ☐ **8(a)** ☒ **Women-owned**
☐ **HUBZone** ☐ **Veteran-Owned** ☐ **Service Disabled Veteran-Owned**

- 2) **Please describe how this small business has excelled in the past year (2006) in the performance of their contract. Additionally, please provide a brief profile of the firm in your description.**

InSysCo is a woman-owned and operated small business, founded in 1990, and located in Northern Virginia. InSysCo specializes in Internal Revenue Service (IRS) related work. InSysCo began as a small consulting company helping large systems integrators win IRS contracts, and then working as a subcontractor on those contracts after award. In 2004, InSysCo decided to refocus its efforts into becoming a small business prime, targeting the Total Information Processing Support Services -3 (TIPSS-3) contract as its first large-scale Request for Proposals (RFP), bidding as a small business.

The TIPSS-3 RFP had mandatory Capability Maturity Model Integrated (CMMI) Level 2 requirements. InSysCo first had to develop standardized software development processes and procedures and manage a project using them, so that an external Class A SCAMPI could evaluate InSysCo's CMMI level. In June 2005, InSysCo was assessed at CMMI Level 2; in September 2005 InSysCo turned in its proposal for TIPSS-3; in October 2005, InSysCo was awarded its first major prime contract award; and in February 2007, InSysCo was evaluated at CMMI Level 3. Since winning under the IDIQ TIPSS-3 contract, InSysCo has won more business on TIPSS-3 than all the other small businesses combined, and under Full and Open competition, has won more work than many large business TIPSS-3 awardees.

Under TIPSS-3, InSysCo has won three significant tasks, providing Financial Systems Development Support to the IRS Chief Financial Officer (CFO) under the first; Programming Support to the Master File Division under the second, and Full Software Development Support to the IRS National Research Program (NRP) under the third. Most of the following will focus on the first two tasks.

The first task is the Financial Systems Programming task. This is a follow-on task to TIPSS-2 Task 007 in which InSysCo was a sub to TRW/Northrop Grumman. InSysCo completely staffed and managed this project. When this task came up for re-bid under TIPSS-3, InSysCo bid as the prime on the task and won.

InSysCo provides programming and subject matter expertise to the Finance Systems Branch. This includes programming support in mainframe Assembler, Cobol, Job Control Language, and SQL in a Z/OS environment on IBM mainframes. They have expertise in nearly all the tools that the IRS uses on the mainframe including Endevor, File-Aid, DB2, XDC, Expediter, Abend-Aid, VSAM, CLIST, SAS, and EFTU. All of the team members use the MS Office suite of software including Visio and MS Project.

In particular, InSysCo maintains and enhances the programs that support the Custodial Financial Statement Audit of the IRS by Government Accountability Office (GAO). The task supplies the detail data that is used to support the Financial Statements of the IRS. InSysCo updates and runs the programs that extract, reformat, classify, and report on the detail revenue and refund transactions. This information is reconciled back to the Interim Revenue Accounting Control System (IRACS) within tight tolerances. GAO uses this information to verify the balances reported on the financial statement. InSysCo builds the files that GAO uses to verify the IRS is releasing liens in a timely manner. They assist in the Unpaid Assessment audit by providing data that is used in the sampling methodology by GAO. The IRS received a clean opinion for the 2006 audit.

InSysCo conceived, designed and are currently building the Custodial Detail Database (CDDDB) which will take the current Financial Management Information System that supports the Financial Audit and put the information into a relational database. This will move the service to be more compliant with Federal Accounting Standards. It will specifically target 7 material weaknesses that GAO has identified in past audits of the IRS.

InSysCo was in charge of the requirements, programming, testing and deployment of the first release of CDDDB. Release 1.1 was delivered for use in the FY 2006 Financial Audit a full year ahead of schedule. CDDDB Release 1.2 will be used to better classify the FY 2007 Unpaid Assessment inventory which should reduce reclassifications due to sampling by nearly 18 billion dollars.

InSysCo is currently partnered with the Custodial Accounting Section within MITS to build CDDDB Release 2B. This part of CDDDB implements a transactional database to support the Revenue and Refund processing within the audit to identify the detail transactions that support the Financial Statements. They are on schedule on this part of CDDDB. For CDDDB Release 3, InSysCo coordinated a 15 staff year implementation of a change within the tax processing system to more accurately account for revenue received. This processing adds a 20 digit trace-id to every revenue transaction that is attached through all the systems within the service. This RIS required coordination across more than 20 areas within the tax processing system.

CDDDB is a replacement for the Custodial Accounting Project (CAP) which was a modernization project. CAP was cancelled in January 2005 due to a limited IRS budget. The total cost for CAP was slated to be more than \$250 million dollars (with \$135 Million already spend) with full implementation in 2011. CDDDB will provide the critical functionality that was envisioned for CAP at a cost of less than \$10 million dollars and will be fully implemented in 2009.

InSysCo also designed and built the Current Processing Environment (CPE) programs that support

the Filing and Payment Compliance (F&PC) Release 1.2 project. F&PC is a modernization project that will allow Private Collection Agencies (PCA) to collect on tax debts owed to the IRS. InSysCo has provided subject matter expertise and designed, programmed, tested, and deployed the CPE systems that are supporting the project. They have provided extensive support to the F&PC business areas and project office.

They successfully deployed F&PC release 1.2. This release used information from CDDDB to improve the selection process to provide more inventory for the Private Collection Agencies. Additional files are also provided for TDI information.

InSysCo assisted the UA section within MITS to gather requirements, design, develop, and test the F&PC measures program. This was done in an extremely short time to meet Congressional reporting requirements. In many instances, the staff worked extra hours and during the weekends to meet the tight reporting deadlines.

In addition, InSysCo has also supplied subject matter expertise to the Corporate Account Data Engine (CADE), F&PC, Integrated Financial System (IFS), and the IRS Master Files. They have also assisted in teaching the Basic Computer Programmer/Analyst (BCPA) class and the follow-on classes to teach new IRS programmers additional tools they will need to do their jobs.

The second task, Programming Support for the Master File Division, involves full life cycle development of legacy and modernized IRS tax processing systems. It involves many different tasks, including:

- Full software development life cycle support including new development and maintenance for multiple master file legacy software applications such as taxpayer notices, master files, audit return scoring programs (DIF Scoring), Information Returns Program, and IMF On-line;
- Coordination and implementation of critical legislative and Congressional initiatives such as Telephone Excise Tax Refunds (TETR);
- Decomposition and documentation of the Integrated Data Retrieval System (IDRS), a critical customer service and compliance system;
- Full life cycle support to the modernization of the Appeals Division processing systems; and,
- Creating sanitized test data for and providing subject matter experts (SMEs) to the critical Modernization Project, Corporate Accounts Data Engine (CADE).

InSysCo provided software development and programming support to multiple legacy software applications, effectively taking over tax system application maintenance of some legacy systems. For notices, InSysCo modernized all applications, rewriting them to remove out-of-date printing codes and allow them to take advantage of new IBM high speed printers. InSysCo also made significant changes to notices to accommodate TETR processing.

InSysCo coordinated all IMF RISs to implement TETR, to examine returns that claimed excessive TETR, and to identify potential fraudulent claims for CI. This included doing requirements management, coordinating a new payment return line and new forms (F8913 and 1040EZ-T), providing safe harbor processing based on the number of exemptions, and changes affecting Master File processing, Customer Service, Financial Reporting, Treasury's FMS, Examination, Criminal Investigation, and Modernization (CADE). As a result, InSysCo received a Letter of Commendation from the IMF Branch Chief.

InSysCo developed Visio diagrams of all IDRS software programs and functionality, then decomposed them to lower levels of detail. InSysCo used IDRS documentation, without assistance from IRS personnel, because of their understanding of IRS systems. IRS provided FSPs and InSysCo developed diagrams that identified exactly what functionality was provided by each IDRS program.

Because IRS needs additional resources, InSysCo acts as IRS SMEs for the CADE project, responsible for reviewing all CADE modernization artifacts, answering questions about legacy systems, ensuring Enterprise Architecture (EA) compliance, and keeping IRS management informed of issues and risks as they arise. InSysCo is also responsible for developing test data for the CADE Historical Data project that scrambles taxpayer names and addresses, so that contractors can use it to test CADE software changes.

DIF Scoring: For the past several years, InSysCo has been responsible for the programs that score IMF tax returns for audit potential. As such, they are responsible for the sensitive algorithms that identify which returns are sent to Exam for audit. They have rewritten them to simplify, correct errors, and enable the programs to run more efficiently by removing obsolete code.

Under this task, InSysCo has repeatedly improved processing efficiency by:

- removing obsolete code – in some cases software module Lines of Code have been reduced by as much as 90%;
- extensively documenting program listings to facilitate transition to new programmers;
- reviewing and identifying previously undetected anomalies; and,
- testing and improving program efficiency.

The third task, National Research Program (NRP), InSysCo provides full software development life cycle support to the IRS Research program, including analysis, design, development, testing, and maintenance, usually with extremely short deadlines. InSysCo also develops training and user guides and manuals.

For all of the above efforts, I highly recommend InSysCo as the Small Business Partner of the Year.

Howard Marcus
Government Task Manager